

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the matter of)	
)	
Public Notice Requesting Public)	ET Docket No. 02-135
Notice Requesting Public Comment)	(DA 02-1311)
On Issues Related to Commission's)	
Spectrum Policies)	

To: Spectrum Policy Task Force

REPLY COMMENTS OF TELEPHONE AND DATA SYSTEMS, INC.

Telephone and Data Systems, Inc., on behalf of itself and its subsidiary, U. S. Cellular Corporation (collectively "TDS"), by its attorneys, submits its reply comments in response to the Commission's *Public Notice, "Spectrum Policy Task Force Seeks Public Comment on Issues Related to the Commission's Spectrum Policies,"* released June 6, 2002 (DA 02-1311).

TDS limited its comments to the Commission's policies defining geographic service area size for auction spectrum because of the central role of service area size in promoting, through market-based approaches, the competitive development of advanced technologies in all areas of the country, particularly rural and less densely populated areas. A number of other comments also addressed this important issue requesting that regional/rural carriers not be inhibited or precluded from moving forward with their long-term plans for spectrum-based services because of a lack of regulatory certainty on this issue.

We agree with the recommendations made in the comments of the Rural Cellular Association, The Rural Telecommunications Group and The National Telecommunications Cooperative Association ("NTCA") with respect to the continuing need for small rather than large geographic service area sizes in future spectrum auctions to promote spectrum-based services in rural markets. As discussed in these comments, the statutory objectives in Section 309(j) of the Communications Act of 1934, the unique circumstances of providing spectrum-based services in rural and less densely populated markets, the preclusive effects of nationwide and super-regional service area selection and the ineffectiveness of partitioning and disaggregation as an alternative method for regional/rural carriers to acquire spectrum support adoption of spectrum policies for small geographic service area sizes.

We also support the recommendations in the comments of AT&T Wireless Services, Inc. ("AWS") regarding the need for the United States "...to harmonize its policies and allocations with those of the rest of the world."¹ As AWS describes, the use of non-harmonized frequencies in the United States adds to equipment costs and production delays and has impaired international roaming for U.S. consumers. In the interest of promoting U.S. consumer benefits, the Commission should give significant weight in its spectrum allocation proceedings to the need for global harmonization of CMRS frequency uses.

¹ AWS Comments, pp. 19-20

Finally, we applaud the Commission for its continuing efforts to update its oversight and review of spectrum management policies. In the brief period permitted for the preparation of comments, over 140 parties presented thoughtful analysis and recommendations. We continue to believe that one of the urgent issues before the Commission is how to encourage licensing opportunities to promote new and expanded spectrum-based services in rural and less densely populated markets. We also believe that the Commission's efforts toward harmonization of U.S. allocations will make important contributions benefiting all U.S. consumers. We request that the Spectrum Task Force devote special attention to both of these matters.

Respectfully submitted,

TELEPHONE AND DATA SYSTEMS, INC.

By /s/ George Y. Wheeler

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